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ABSTRACT

This high interest, low vocabulary text is one of a series of readers in consumer education useful in English as a Second Language (ESL) classes. Each page of text is illustrated with black-and-white photographs. (AMH)

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Put Your Money Down

Buying on Credit

by
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This is a work of fiction. Any relationship between the people, places, products, and events in this book and real people, places, products, and events is coincidental.

CHAPTER 1

Ann and Ed Ford live in a house. They have two children. Walter is 14 years old and Barbara is 16 years old. Walter and Barbara go to high school. Ann works in an office.

Ed used to help build houses. He worked for a construction company. But now the construction company doesn't have any more houses to build. Ed hasn't had a job for three months. He has been looking for a new job.

After work Ann comes home. She helps the family make dinner. The teenagers talk about their day in school. Ann talks about her day in the office. Ed is upset. He doesn't have a job to talk about.

The Fords eat their dinner. Then Walter and Barbara put the dishes in the sink. Tonight it is Barbara's turn to wash the dishes. Her mother helps her in the kitchen.

Ann thinks about the price of food. The Ford family eats a lot of food. It is expensive. It costs a lot of money to buy food for the whole family.

Ann thinks about clothes for her teenagers. Their clothes cost a lot of money. They need money for lunch at school. Sometimes they want money to go to the movies. Sometimes they want money for other things too. Ann knows that she can't give them money all the time. She doesn't have enough money.

Tonight Barbara tells her mother about a dance at school next week. She wants to buy a new blouse for the dance.

"Do you have any money?" Ann asks.

"I have some money from my babysitting," Barbara says. "But I don't have enough money to buy a blouse."

"How much do you need?" Ann asks.

"Just a few more dollars," Barbara says. "Then I'll have enough money."

"OK," says Ann. "I'll help you buy a new blouse."

"Thanks, Mom," says Barbara.

Ann sits down in the kitchen. She thinks about Barbara.

"Barbara doesn't really need a new blouse," Ann thinks. "But sometimes it is hard to say no. Barbara tries hard. She babysits. She works hard in school. Sometimes she needs some new clothes. Sometimes I like to buy new clothes too."

Barbara finishes the dishes. She sits down and talks to her mother for a few minutes. Then Ann tells Barbara to do her homework.

Ann gets out her new blouse. She bought it today. She takes it into the living room. She wants to show it to her husband. Ed looks at the blouse. Then he looks at the bill and gets angry.

"This blouse is expensive," Ed says. "You don't need a new blouse. Where did you get it?"

"I bought it at Green's Department Store," Ann tells him. "I used our credit card."

"We already owe Green's too much money," Ed says.

Ann thinks for a minute. Then she says, "I guess I can return it."

Ann feels bad. She likes this blouse. But she knows that Ed is right. She doesn't really need any new clothes.

Ed shows Ann all of their bills.

"We owe money to a lot of places," Ed says. "We can't pay all of our bills this month."

"I know," says Ann. "We do owe a lot of money. I don't make enough money. I can't pay for everything."

"I wish that I could find a good job," Ed says. "There weren't any ads for good jobs in the newspaper today."

"Maybe there will be something in the paper tomorrow," Ann says. She knows that Ed feels bad.

Ann goes into the bedroom.

Ed thinks about paying their bills. Every month the Fords have to pay the rent. They have to pay the telephone company and the electric company. They cannot spend the food money on their other bills. The Fords have to eat.

The Fords have many other bills. They owe money to two department stores and the gas company. They also have to pay for the loan on Ed's car. Ed knows that the Fords do not have enough money to pay their bills.

Ed decides to call the companies that he owes money to. He wants to talk to them about his bills. He feels bad because he can't pay them enough money every month. He hopes that these companies will let him pay a little money every month. He hopes that these companies will let him keep his credit.

Ed feels upset. When he had a job, he always paid his bills right away. Now he can't do that. He knows that things cost more money when the consumer cannot pay for them right away.

The next morning Ed sees an ad in the newspaper for a job. He goes to talk to the company about the job. But he cannot get the job. They do not want to hire a union construction worker.

CHAPTER 2

Ed feels bad. He goes to the supermarket. He buys the food for the week. He pays for the food and puts it in the car.

Then Ed starts to drive home. He sees that the car needs gas. He goes to a gas station.

The man at the gas station fills the gas tank.

"That will be $7.50," the man says.

Ed doesn't have enough cash to pay for the gas. He gives his credit card to the man. A bill for this gas will come at the end of the month.

Ed drives home. He takes the food out of the car and goes in his house. Ed puts the food away. He puts some of the food in the refrigerator. The refrigerator is not very cold. Ed turns the dial inside the refrigerator. He wants to make the refrigerator colder.

Ed decides that he will cook a good dinner tonight. He makes some meat loaf. He knows that he can make a good meat loaf. He feels better.

Barbara and Walter come home from school. It's Walter's turn to set the table. Soon Ann comes home from work.

The the Ford family eats their dinner.

After dinner Ed goes into the living room. He thinks about the bills again. He doesn't want to make any more big bills.

Ed thinks that it is too easy to buy things with credit cards. The Fords buy things that they don't need.

Ed thinks that they should pay cash for the things that they need. He decides that his family shouldn't use credit cards anymore.

Ed decides to throw away their credit cards. He starts to cut them up. That way no one can use them again. Ed and Ann won't buy things unless they have the cash.

Just then Ann comes into the living room. She sees what Ed is doing. She doesn't want him to cut up the credit cards. She likes to use them in the stores.

"What are you doing?" Ann asks.

"I don't think we should use credit cards anymore," Ed tells her.

"Maybe you're right." Ann says. "But we might need them some day."

"No," Ed says. "We don't need credit cards. They only get us into trouble. We owe too much money already."

"What about the credit card for gas?" Ann asks.

Ed thinks for a few minutes. He hasn't cut-up that card yet.

"Maybe you're right," Ed says. "I won't cut-up the gas card. I need the car to find a job. But we don't need the other credit cards."

"OK," says Ann.

Ann and Ed look at all of their bills. Ed makes a list of their bills. Then he adds up the money that they owe. Ed and Ann know that they should not buy anything else on credit. Now they know how much they already owe.

Ed calls Barbara and Walter into the living room. He wants to talk to them about money. He wants everyone to be very careful with their money. They can't spend a lot of money. He tells Barbara and Walter that they should not ask their parents for any money. If they want something, they will have to work for the money.

Ed feels bad because he wants his teenagers to have nice things. He doesn't want them to worry about money. But he doesn't have any money to give them.

CHAPTER 3

Saturday morning Ann starts to make breakfast. She takes some eggs and milk from the refrigerator. The milk doesn't feel very cold. She feels the rest of the food in the refrigerator. It is not very cold.

Then Ann looks at the plug. The plug is in the wall. Ann looks at the dial inside the refrigerator. It is on "Cold". But the inside of the refrigerator is not cold.

"Darn it," Ann thinks. "The refrigerator is broken again. This time I think we'll have to buy a new refrigerator."

Ann closes the door of the refrigerator. She doesn't want the warm air in the kitchen to get inside the refrigerator. She hopes that all the food won't go bad.

Ann makes pancakes for breakfast. Ed and the children like them. They come into the kitchen. Ed makes the coffee. Then they sit down and eat their breakfast.

After breakfast Walter and Barbara leave the kitchen. Then Ann tells Ed about the refrigerator.

"Is it broken again?" Ed asks.

"Yes," Ann answers.

Ed is upset because the repairman just fixed the refrigerator three months ago.

"I guess that the repairman was right." Ed says. "He told me that this refrigerator wouldn't last too much longer."

"I think we will have to buy a new refrigerator this time," Ann says.

"I guess so," Ed says. "But refrigerators cost a lot and we don't have the money."

"We'll have to get the money somewhere," says Ann.

"I know, I know," says Ed.

"Let's look for the refrigerator today," Ann says. "We can't wait much longer. We have to have a refrigerator that works."

"OK," says Ed. "We'll have to look at many different kinds. We'll have to go to a lot of stores. We want to get the best price."

After breakfast Ed looks at a special magazine. This magazine is for consumers. It tells many things about different brands of refrigerators. It also tells the prices of each brand and model. Ed has looked at this magazine many times. Now Ed wants to read it very carefully.

Ann thinks about the food in the refrigerator and the freezer. She knows that the food will go bad in the broken refrigerator.

Ann calls her friend Jane. Ann wants to put the food into Jane's refrigerator.

Jane says OK. She has a big refrigerator. There is enough room in it for Ann's food. Jane tells Ann to bring over the food. Ann says that Walter will bring it over soon.

Ann starts to take the food out of the freezer. Some of it is still frozen. But some of it is not frozen. Ann will have to use this food today. She puts the frozen food into a bag. Jane can put this food into her freezer.

Ann looks at the food that is not frozen. She decides to make a stew. She can use a lot of the food in a stew. Her family can eat the stew during the weekend.

Ann starts to cook the stew. Then she calls Barbara into the kitchen. Ann tells Barbara to take the stew to Jane's house. Barbara picks up the pot.

"Not now!" her mother says. "You have to wait until it is cooked. Please stay home until it is ready."

"When will that be?" Barbara asks.

"In two hours," her mother tells her.

"Do I have to?" Barbara asks.

"Yes," her mother says. "Don't let the stew burn. Your father and I have to go shopping. We need a new refrigerator."

Walter comes into the kitchen. He is going out to play basketball.

"I'm glad you're here," his mother says. "I need your help."

"Now what?" Walter says. "I'm going out."

"Good," Ann says. "On your way, take these bags of food to Jane's house."

"I can't carry all this!" Walter says.

"Make two trips," his mother says.

"Do I have to do it now?" Walter says.

"Yes," says his mother. "This food has to be in the refrigerator. Please do it now."

"OK, OK," Walter says. Walter takes the bags to Jane's house.

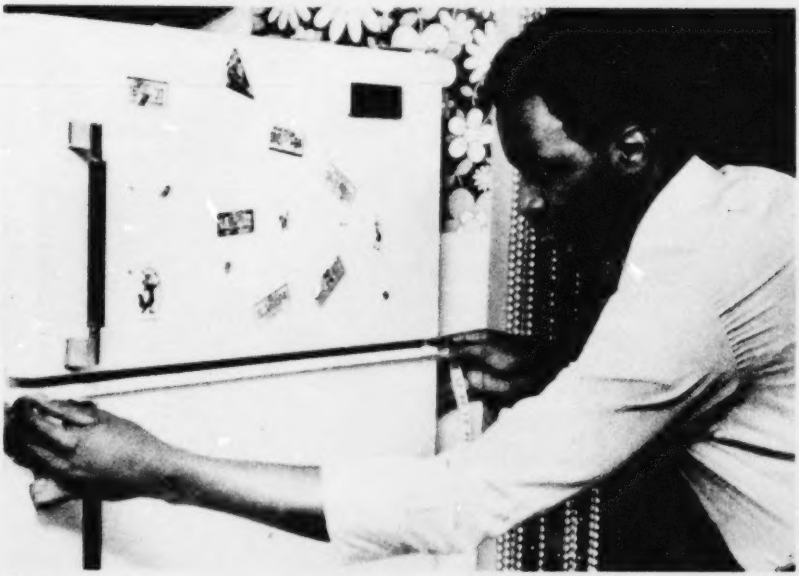
Ed comes into the kitchen.

"What smells so good?" he asks.

"I'm making a stew," Ann tells him. "I had to cook some of the food from the refrigerator. I didn't want it to go bad."

"Good idea," says Ed. "I came in to see how big this refrigerator is. We have to make sure that a new refrigerator will fit here."

First Ed wants to find out how wide the refrigerator is. It is 30 inches wide. Then Ed wants to find out how high the refrigerator is. It is 5½ feet high.



Ed writes down the size of the refrigerator. He puts the paper in his pocket. Then he sees that he has a hole in his shirt. He puts on a different shirt so he can go shopping with his wife.

Then Ed tells Ann to hurry. Ed wants to leave now because they have a lot of shopping to do.

Ann tries to hurry. She stirs the stew once more. She tells Barbara to remember the stew. Then Ann gets ready to go out.

Ann and Ed get into their car. They talk about different appliance stores. They decide to go to Abe's Appliance Store. Soon they get there.

Ann and Ed go into the store. They find the refrigerators. They look at many different refrigerators.

Ed opens the door of one of the refrigerators. Ann looks inside. There is a book inside the refrigerator. This book tells all about this refrigerator. Ed looks at the book and reads some of it.

Then Ann looks for a clerk. She wants to ask some questions about this refrigerator. But the clerk is very busy. Ann goes back to Ed. He is looking at another refrigerator.

"Where's the clerk?" Ed asks.

"He was too busy," says Ann. "Why are you looking at this refrigerator?"

"That other refrigerator costs too much money," Ed tells Ann.

"How do you know?" Ann asks.

"I found the price tag," Ed tells her. "We can find one for less money. I didn't like that one anyway. You can't move the shelves in it."

"But it has a nice drawer for fruits and vegetables," Ann says.

"Well, let's look around," Ed says.

Ann and Ed look at some of the other refrigerators. Some of them are very big. They have a lot of room in them. But they are too big. They won't fit in the Ford's kitchen.

Some of the refrigerators are too small. They don't hold enough food for the Ford family.

Some of the refrigerators have fancy things on them. One has an ice maker. Ed thinks that refrigerators with ice makers cost too much money.

Then Ann says, "Let's go to another store."

"OK," says Ed.

Ann and Ed leave Abe's Appliance Store.

"I know a good store," Ann tells Ed. "It sells appliances for less money. It is a discount store."

"OK, let's go there," Ed says.

Ann and Ed drive to M & N Discount Appliances. This store sells many appliances. Ed sees the TV sets. He looks at the price tag.

"These are good prices," he says.

"You're right," says Ann. "But we don't need a new TV. We need a refrigerator."

"I know," says Ed. "But I like to look at TVs. When I get a job, we can pay all of our bills. Then maybe we can buy a new TV. Our TV doesn't work so well."

"OK," says Ann. "But let's look at the refrigerators now. We need that today."

Ann knows that Ed feels bad because he doesn't have a job. He doesn't like to have a lot of bills. But he wants to have nice things for his family.

Ann and Ed go to look at the refrigerators. There are many brands and models in this appliance store.

Ann sees a fancy refrigerator. She looks inside of it. Then she looks at the price tag. This refrigerator costs too much money.

Ed looks at this fancy refrigerator.

"This refrigerator costs a lot of money," he says. "It is the same brand and model as the refrigerator in Abe's Appliance Store. It has the same warranty too."

"The same refrigerator costs more money at Abe's Appliance Store," Ann says. "The prices are lower at this discount store."

Ann and Ed look at some other refrigerators. Some of them have a lot of room inside of them. Some of them are smaller. Ann wants a lot of room in her new refrigerator.

Ann looks at one refrigerator. A sign on it says "Frost-Free." Ann knows that a frost-free refrigerator will be very easy to take care of. The inside will not get any ice on it. But it costs more money to keep food in a frost-free refrigerator. This kind of refrigerator uses a lot of electricity.

Ann and Ed decide that they don't need a frost-free refrigerator. It costs more money to buy a frost-free refrigerator. And it costs more money to keep food in a frost-free refrigerator.

Finally Ed sees a nice big refrigerator. It doesn't cost too much money. It is the right size and it has a lot of room inside of it.

Ann looks inside the refrigerator. She sees a book. Ann looks at it. She reads it. She likes this refrigerator.

Ann goes to find the clerk. She wants to find out more about this refrigerator. Ann brings the clerk back to look at it.

Ann and Ed talk to the clerk about the refrigerator. The clerk tells Ed and Ann all about this refrigerator.

Then Ed asks, "Will it cost a lot of money to use this refrigerator? Will this refrigerator use a lot of electricity?"

"No," says the clerk. "This refrigerator doesn't use a lot of electricity. Look at this book."

The clerk opens the book for this refrigerator. She shows Ed and Ann page 10. This page tells how much electricity this refrigerator will use every month.

Ed reads the page of the book. He thinks that this new refrigerator will not cost a lot of money to have in their house. He thinks about their old refrigerator. It doesn't work well. It uses a lot of electricity.

"How soon could we get this one?" Ed asks.

"Where do you live?" the clerk asks.

Ed tells the clerk where they live.

"You could get this refrigerator next week," the clerk says.

"Good," says Ed. "Do you have a credit plan?"

"Yes," the clerk says. "Please come into the credit office."

On the way to the credit office, Ann tells Ed, "I want to go to some other stores. We should not buy this refrigerator before we look at some more refrigerators."

"OK," says Ed. "Let's just get the papers about the credit plan at this store. We can read them at home."

In the credit office, the clerk tells Ed and Ann about the store's credit plan. She gives Ed some papers and a book about the credit plan. Ed will read these papers and the book very carefully.

Ann and Ed leave M & N Discount Appliances. They decide to get some coffee and talk.

They can try to get a loan from a bank. If they can get a loan, they will be able to pay the store for the new refrigerator. Every month they will have to pay some money back to the bank. They will also have to pay the bank some extra money. This extra money is called finance charges.

Ann and Ed could also buy a new refrigerator on a store's credit plan. Then they will have to pay the store some money every month. They will have to pay the price of the refrigerator plus finance charges.

It costs money to borrow money from a bank or to buy things on credit from a store. Ann and Ed will have to pay more money for their refrigerator than the price of the refrigerator. They will have to pay the bank or the store some extra money every month.

Ed and Ann want to buy the refrigerator in the cheapest way. They do not want to pay a lot of extra money. They know that they will have to think about the credit plans at the different stores. They will also have to talk to the people at many different banks.

Ann and Ed finish their coffee. Then they go to Green's Department Store. First Ann sees a nice chair. She would like to buy this kind of chair.

"We don't need a chair," Ed says.

"I know," Ann says.

"Let's go look at the refrigerators," Ed says. "We need a refrigerator now."

Ann and Ed go to the appliance department. They want to look at the refrigerators at Green's Department Store.

Ann and Ed look at the refrigerators in the appliance department. Ed sees the name on a refrigerator. He remembers that he read about this brand and model in the consumer magazine. The magazine said that this brand is good because it doesn't use a lot of electricity.

Ann and Ed look at some other refrigerators. They look at another brand. The magazine said that these refrigerators are good because they don't break down very often. Ann and Ed will have to decide which brand and model they want.

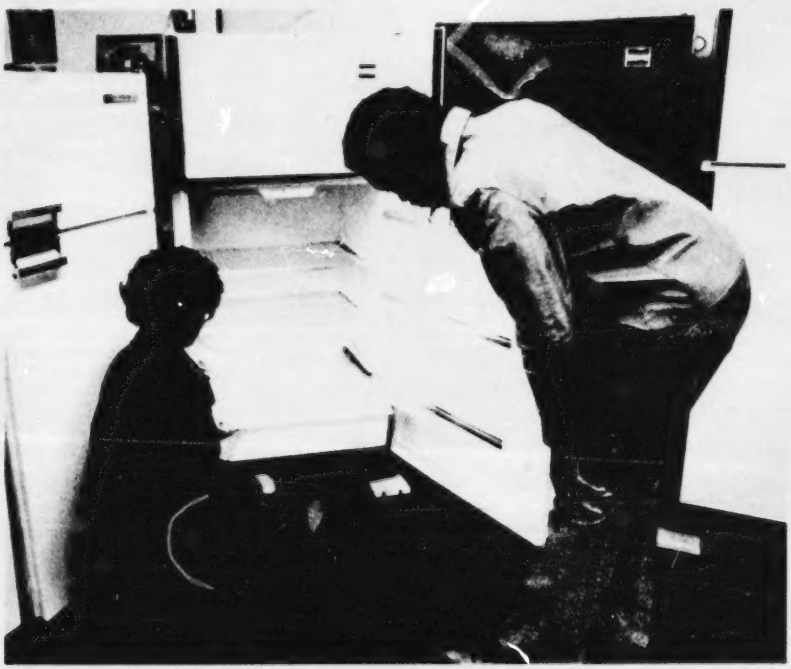
Ed and Ann look at many different brands and models in Green's. They have to do this so that they can buy the best brand and model for them. They have to think about what the magazine said.

Ann looks at one refrigerator. She likes it so she looks at it more carefully.

"Look at this one," she says to Ed. "I like it. We liked this refrigerator at M & N Discount Appliances too."

Ed looks at the price tag.

"This refrigerator costs less money at M & N Appliances," Ed says. "Maybe we should buy it there."



"OK," Ann says. "I like this one."

"First we have to find out about the credit plan here," Ed tells Ann. "They may have a better credit plan here than at M & N Discount Appliances."

Ed goes to find the clerk. He wants to ask about the credit plan. The clerk tells Ed to go to the credit department.

Ann and Ed go upstairs to the credit department. They talk to the credit clerk. The clerk tells Ed and Ann about the credit plan at Green's Department Store.

He tells them about the finance charges at Green's Department Store.

Every year they will have to pay $18 for every $100 that they still owe to the store. Then the clerk takes out some papers and looks at them. These papers tell him that Ed and Ann already owe $329 to Green's Department Store. They also say that the Fords have had trouble paying their bill for a few months.

The clerk tells Ed and Ann that this store will not let some consumers owe more than $500. They can't buy a refrigerator on credit at Green's.

Ann and Ed feel bad because they can't get more credit at this store. They leave Green's Department Store.

On the way home they talk about credit plans. The credit plan at one store may cost more money than at other stores.

The Fords have to find out about the credit plans at different appliance stores. They will have to find out about getting a loan from a bank.

The Fords will have to think about how to get the money for their new refrigerator. They want to get the best price for the refrigerator. But they also want to get the best price for the credit.

CHAPTER 4

On Monday morning, Ann, Barbara and Walter leave the house. Ed stays home. He has a lot of things to do at home today.

Ed thinks about the loan on his car.

Ed is a member of a construction union. With the other members of his union, Ed is a member of a credit union. Part of his dues to the construction union are given to the credit union. The credit union can give loans to its members.

Last year the Fords borrowed money from Ed's credit union. Ed could borrow money from the credit union because he is a member of it. The interest is not very high in the plan from the credit union. Ed was able to get a loan for 48 months.

But Ed still owes money to the credit union. He has to pay the credit union $75 every month. He always pays the credit union on time. Ed needs his car. He does not want the credit union to take the car away from him. If he didn't pay the credit union every month, the credit union could take the car away from him.

Ed calls the credit union. The man there tells Ed that the Fords still owe more than $2000 for their car. Ed cannot borrow any more money from the credit union. Ed has to pay back more of the money he borrowed for the car. Then he can borrow more money from the credit union.

Ed hangs up the phone. He gets out the credit papers from M & N Discount Appliances. These papers tell about the credit plan at this store.

Ed looks at one paper. He will have to take this paper back to the store. This paper has many questions on it. Ed answers the questions. He writes down his name, Ann's name and their address. He writes down where Ann works and the name of her boss. He writes down how much money she makes at the office. He writes down Ann's telephone number at work. M & N Discount Appliances might want to call her boss. They will ask him about Ann's job. M & N Discount Appliances wants to make sure that the Fords will be able to pay their bill.

Ed feels bad because he can't write down where he works. He can't write down that he makes money.

Ed reads the rest of the paper. There are questions about the money that the Fords owe. They owe a lot of money. They owe money to the credit union for the car. They owe Green's Department Store. They owe money to many other places. Ed writes all of this down on the paper.

Ed doesn't feel too bad because he knows that he tries to pay part of each bill every month. He knows that he always pays the credit union on time. Every month, he also pays rent on the house on time.

Then Ed answers the questions about their bank. The Fords don't have a savings account. But they do have a checking account. Ed writes down the name of their bank. Then he writes down the number of their checking account.

Ed looks at the paper again. He has answered all of the questions. He will take this paper to M & N Discount Appliances today. The people in the credit office will look at this paper. They will have to decide if the Fords can buy a refrigerator on credit at their store.

Ed leaves his house and goes to Hometown Savings and Loan. He wants to get a loan from this kind of bank. He knows that the finance charges at a savings bank will be less money than the finance charges in the stores.

Ed talks to the manager at the bank. The manager tells Ed about getting a loan from the savings bank.

Then the manager asks, "Do you have a savings account with us?"

"No," Ed answers. "We used to have a savings account at another bank. We had to use that money. I haven't had a job for a while."

The manager tells Ed that Hometown Savings and Loan cannot help him. Hometown only loans money to people who save there.

Ed thinks for a minute. If he had some savings, maybe he could get a loan more easily. Ed wishes he did not have to spend his savings.

Ed decides to go to another appliance store. He goes to Frost House to look at their refrigerators.

Ed looks for the brand that he wants. He can't find it. He looks at all of the refrigerators in this store.

Ed asks the clerk about the brand that he wants.

"We don't have that brand," the clerk says. "But look at this brand. It's almost the same. I think it is even better."

Ed looks at the refrigerator. His magazine says that this brand is not a good refrigerator.

"No, I don't like this one," Ed says. "Thank you."

Ed leaves the store.

Ed goes back to M & N Discount Appliances. He has to give the credit paper to the clerk. He also wants to look at the refrigerator again. He wants to make sure that it is the right refrigerator.

Ed goes into the store. He looks at the refrigerator again. He is sure that he likes this refrigerator. Then Ed looks for the clerk. He finds her.

"I want to know more about your credit plan," Ed says. "How much money do I have to give you when I buy this refrigerator?"

"The down payment is $50," the clerk says.

"How much interest do I have to pay?" Ed asks.

"It's 18% a year," the clerk tells him.

Ed gives the credit paper to the clerk. She looks at it. Ed has answered all of the questions. He has also signed it.

"Call me in a few days," the clerk says. "Then we can tell you about your credit."

"OK," says Ed. "Thank you."

Ed starts to go home. First he goes to Jane's house to get the stew for dinner. Someone has to go to Jane's house all the time because the Fords' refrigerator still doesn't work at all.

In a little while Barbara and Walter come home from high school. Walter helps his father set the table.

Then Ann comes home from work. She is glad that dinner is almost ready. She is glad that everyone is home for dinner tonight.

The Ford family eats their dinner. Tonight it is Barbara's turn to wash the dishes. She doesn't want to do them. Barbara puts the dishes into the sink. She starts to leave the kitchen. Her mother tells Barbara that she must do the dishes tonight. Everyone in the family has to work.

Barbara makes a face. Then she washes the dishes.

Walter comes into the kitchen with a magazine. He shows his parents an ad for a hi-fi. He wants them to buy it for him.

"It looks very nice," Ed says. "Save your money. I can't buy it for you now."

Ann and Ed go into the living room with their coffee. Ed tells Ann about his day. He tells her that they can't get a loan from a savings and loan bank. He also tells her about the refrigerators at Frost House. He also tells her that he gave the credit paper to the clerk at M & N Discount Appliances. Then he tells her about the warranty on the refrigerator.

Ed and Ann think that they will buy their new refrigerator at M & N Discount Appliances. This store sells the refrigerator at the lowest price. But they still have to think about where they can borrow the money to pay for the refrigerator.

CHAPTER 5

On Tuesday morning Ann goes to work. She thinks about the money for the refrigerator. She doesn't want to pay a lot of extra money on the refrigerator.

Ann decides to go to the First Commercial Bank. It is near her office. This bank is not a savings bank. It is a commercial bank. It gives loans at higher interest than savings banks.

Ann knows that the finance charge at a commercial bank is about 12% a year. This interest is higher than the interest at a savings bank. But the finance charge at a commercial bank costs less money than the finance charges at the appliance store.

At lunchtime Ann goes to the commercial bank. She has to wait for a few minutes. The credit manager is talking to someone else.

Soon it is Ann's turn. She sits down near the manager. She tells the manager that she wants a loan. She tells him that she has to buy a new refrigerator.

The manager tells Ann about the loans at this bank. Ann asks some questions. The manager answers her questions. Then the manager gives Ann a paper. Ann reads the paper. The paper has a lot of questions on it. The bank wants to know all about the Ford family. The bank asks many of the same questions as M & N Discount Appliances. Ann writes down the answers to all of the questions.

The people at the bank and the people at M & N Discount Appliances want to find out about the Fords' credit. They want to make sure that the Fords can pay their bills. They also want to make sure that the Fords make enough money to pay back the loan.

Ann gives the paper back to the manager.

Then the manager tells Ann that he wants to call her boss. Ann says that the manager can call him. She gives the manager her boss's phone number.

The manager tells Ann to call him in a few days. Then he can tell her if she can have a loan from this bank.

Ann goes back to work. She wants to talk to her boss. But first she does some work. Later her boss calls her into his office. He gives her some more work.

Then Ann tells him that she is trying to get a loan for a new refrigerator. She tells him that a bank and a store are going to call him.

Her boss says that he will talk to them. He hopes that she can get the loan.

CHAPTER 6

The next day Ed decides to call a finance company.

Finance companies also give loans. Ed knows that it is easier to get a loan at a finance company than at a bank. Ed talks to the finance company about their credit plan. Ed asks them about the interest on their loans. The clerk tells Ed that the interest is 2% a month.

"Wow," Ed thinks. "That's 24% a year. That's more than any store's credit plan."

Ed decides that he should not get a loan from a finance company.

Then Ed calls the credit clerk at M & N Discount Appliances. She tells him that the store will let him buy the refrigerator on credit.

Ed calls Ann at the office. He tells her that they can buy a refrigerator on credit at M & N Discount Appliances. Ann tells Ed that she still has to call the man at First Commercial Bank. Ann and Ed will talk about it later.

Ann calls the credit manager at the First Commercial Bank.

"I'm sorry," the manager tells Ann. "We can't give you a loan."

"Why not?" Ann asks.

"You and your husband don't make enough money," the manager says. "And you already owe a lot of money. You may not be able to pay it back."

"We'll pay the loan back," Ann says. "My husband will get a job soon."

"The bank can't be sure of that," the manager says. "I'm sorry. You'll have to go someplace else."

Ann hangs up the phone. She feels very bad.

Ann goes home after work. Ann and Ed eat their dinner. They talk about the new refrigerator. They can't live without a refrigerator. They cannot get a loan from a bank. They will have to use the credit plan from the store to buy the refrigerator.

They decide to buy the refrigerator at M & N Discount Appliances. They decide to buy the refrigerator right away. They get into their car and drive to M & N Discount Appliances.

Ann and Ed go into the store and find the clerk. They tell her that they want to buy the refrigerator this evening.

"Good," the clerk says, "Let's go into the credit office."

Ed, Ann and the clerk go into the credit office. The clerk takes out some papers. She writes down the date, the Ford's name, and the price of the refrigerator.

Then the clerk asks [illegible], "How much money can you pay the store now?"

"I can give you $50," Ed says. "You said that $50 is enough for the down payment."

"Yes, it is," the clerk says. "How much can you pay every month?"

"About $20." Ed tells her.

"OK," the clerk says. "Then it will take you two years to pay for this refrigerator."

"That's OK," Ed says.

The clerk looks at a chart. This chart tells how much money it will cost to use the credit plan for two years. The clerk sees how much the finance charges will be for the Ford's refrigerator.

"You will have to pay $81 in finance charges," the clerk tells Ann and Ed. "You will pay part of the finance charges every month."

The clerk writes down the down payment and the finance charges. Then she shows the paper to Ed and Ann.

Price	$499.80
Down payment	50.00
Balance charges	449.80
Finance charges	81.00
The Fords owe	530.80

Payment for each month-$22.12

Ed reads the paper carefully. He sees that they will have to pay more money than the price of the refrigerator. He knew that he would have to do that. Ed sees that they will have to pay $22.12 every month. In two years they will own their refrigerator.

Ann and Ed sign the paper. Ann gives the clerk $50.00. The clerk gives them a paper. It is called a receipt. It says that the Fords paid $50 and that they will pay $22.12 for 24 months. Then Ann and Ed leave the store.

Ann and Ed go home. They feel good, because they will have a new refrigerator on Thursday. Then they won't have to go to Jane's house to get their food every day.

They are also glad that M & N Discount Appliances let them buy the refrigerator on credit. The interest at this store is less than at the finance company.

"We're paying a lot of interest on this refrigerator," Ed says.

"I know," Ann says. "But we had to buy on credit. We need a new refrigerator now. We could not get a loan from a bank."

"Well, maybe I'll get a job soon," Ed says. "Then we can pay all of our bills."

"I hope so," Ann says.

Ann hugs Ed. They are glad they could get credit somewhere. They needed a new refrigerator badly.